

AGENDA ITEM NO. VII-5

AGENDA REPORT

OVERSIGHT BOARD FOR THE CITY OF MAYWOOD
AS SUCCESSOR AGENCY OF THE MAYWOOD
COMMUNITY REDEVELOPMENT AGENCY

DATE: OCTOBER 23, 2013

TO: HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD

FROM: ANDRE DUPRET, PROJECT MANAGER

SUBJECT: REVIEW, APPROVE AND ADOPT RESOLUTION APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN FOR THE DISPOSITION OF SUCCESSOR AGENCY PROPERTIES

RECOMMENDATION

That the Oversight Board for the City of Maywood ("Oversight Board"), as Successor Agency of the Maywood Community Redevelopment Agency ("Successor Agency"), approve a resolution adopting the Long Range Property Management Plan ("LRPMP") and submit the LRPMP to the Department of Finance ("DOF").

FISCAL IMPACT

The sale of Successor Agency property will result in proceeds that go to the County Assessor's Office for distribution as property tax to affected taxing entities.

BACKGROUND

AB X1 26, which outlines the redevelopment dissolution process, required the Community Redevelopment Agency of the City of Maywood ("CDC") to transfer all of its real estate assets to the Successor Agency in February 2012. Subsequent legislation, AB 1484, further clarified the dissolution process which requires the Successor Agency to submit a Long Range Property Management Plan to the Oversight Board and California Department of Finance that outlines the proposed plan to dispose of or use the properties formerly owned by the CDC.

A resolution adopting the LRPMP was approved by the Successor Agency at a special meeting held on September 30, 2013. The resolution also required the Successor Agency to transmit the LRPMP to the Oversight Board for consideration and action. Should the Oversight Board approve the LRPMP, the document and recommendation of the Oversight Board will be forwarded to the DOF for final consideration and action.

The purpose of LRPMP is to provide information necessary for disposal of property still held by the Successor Agency. Based on the LRPMP, the DOF then determines whether the properties should be:

1. Retained for a governmental use;
2. Retained for future development;
3. Retained to fulfill an enforceable obligation; or
4. Sold.

The following is a more detailed discussion of the Successor Agency's LRPMP presented to the Oversight Board for approval.

DISCUSSION

Health and Safety Code Section 34191.5 requires each successor agency to prepared and approve a Long Range Property Management Plan that addresses the following:

- *Date of acquisition and the value of the property at that time, and an estimate of the current value of the property;*
- *Purpose for which the property was acquired;*
- *Parcel data including address, lot size and current zoning in the former agency or specific, community or general plan;*
- *An estimate of the current value of the parcel;*
- *An estimate of any lease, rental or any other revenues generated by the property, and a description of the contractual requirements for the disposition of these funds;*
- *The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remedies efforts;*
- *A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the Successor Agency; and*
- *A brief history of previous development proposals.*

THE PROPERTIES

There are four (4) properties that are the subject of the Successor Agency's Long Range Property Management Plan. The Table below lists the properties by Assessor Parcel Number ("APN") and street address.

TABLE 1
Successor Agency Properties

APN	Street Address	Improved		Parcel <u>Size</u> Building Size	Current Zoning	Current Land <u>Use</u> Proposed Land Use	Year of Acquisition	Assessed Value
		Yes	No					
6313-001-902	5102 District Blvd.	X		12,367 SF <u>Land</u> 6,844 SF Building 2-story Office & meeting hall	CM	Commercial <u>Office</u> NA	4/17/2008	TBD
6313-001-901	5110 District Blvd.	X		11,478 SF <u>land</u> 7,200 SF Building Former apparel manufacturing	CM	Commercial <u>Manufacturing</u> NA	7/31/2007	TBD
6313-001-900	District Blvd. (No Address)		X	788 SF Land	CM	Vacant <u>(dirt lot)</u> NA	7/31/2007	TBD
6311-026-902	5515 Maywood Ave.		X	14,452 SF Land	CM	Vacant <u>(dirt lot)</u> Park/ Open Space	9/20/2007	TBD

PROPERTY PROFILES

Two of the four properties listed in Table 1 above are improved and two are unimproved. The following is a more detailed descriptions of these properties.

District Blvd. Properties: The District Boulevard properties abut one another forming an irregular shaped area bounded by District Blvd. on the north, Atlantic Blvd. on the east, 52nd St. on the south and Cudahy Ave. on the west. The two largest of the three parcels have commercial buildings on them with surface parking and a combined lot area of 23,845 square feet. The third parcel is a small triangular shaped lot containing a mere 788 sq. ft. of vacant land. When combined, the three parcels contain a total of 24,633 sq. ft., or slightly more than half an acre, of buildable land area (the “Site”).

The surrounding area is a mixture of residential, and commercial/industrial uses. Due north of the Site is the newly constructed Maywood Elementary School; to the west sits an “R-3” residentially zoned neighborhood of single-family homes and multi-family residences;

and to the north and east lie the heavily traveled commercial/industrial corridors of Atlantic Blvd. and District Blvd.

The former Maywood CDC envisioned a mixed-use project on the Site, however, that project did not come to fruition prior to the dissolution of redevelopment agencies. The Long Range Property Management Plan proposes sale of the Site with the proceeds divided amongst the other taxing entities.

Maywood Ave. Property: The property located at 5515 Maywood Avenue consists of a 14,452 sq. ft. parcel of unimproved land. Maywood Ave. lies in the western most area of the City. Its surrounding community is characterized by mixed land uses comprised of R-3 residential, commercial retail, commercial manufacturing, and industrial. The property was purchased by the Maywood CDC for development of an interactive sports park being funded by The Trust for Public Land ("TPL"). In furtherance of this goal, the CDC and TPL entered into a Donation Agreement ("Agreement") for development of the park on February 9, 2010. Pursuant to the Donation Agreement, TPL has prepared the design and specifications for the park based on input from the community and City staff.

In order to allow this project to proceed, the Successor Agency and Oversight Board approved a "governmental purpose" transfer of the property pursuant to Health and Safety Code Section 34181(a) in August 2013. Although the DOF did not approve the governmental purpose transfer, the DOF advised the Successor Agency that it would likely approve a governmental purpose transfer on its Long Range Property Management Plan. Accordingly the Long Range Property Management Plan proposes transfer of the park to the City of Maywood so that the Maywood Avenue Park may be completed.

Staff recommends that the Oversight Board adopt the resolution approving the LRPMP as presented and direct staff to submit the LRPMP to the Department of Finance for approval.

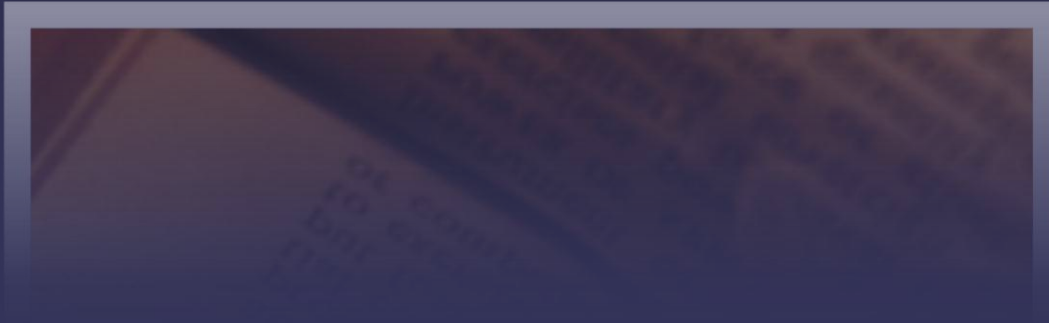
Attachments: 1. Resolution
2. Long Range Property Management Plan

ATTACHMENT 2
Long Range Property Management Plan

MAYWOOD SUCCESSOR AGENCY

LONG RANGE PROPERTY MANAGEMENT PLAN

LO



4319 SLAUSON AVENUE
MAYWOOD, CA 90270
Phone: 323/562-3721 Fax: 323/773-2806
Web: WWW.CITYOFMAYWOOD.ORG

INTRODUCTION

In accordance with ABx1 26 and the companion dissolution bill, AB 1484, the Successor Agency to the Maywood Community Redevelopment Agency (“Successor Agency”) submits this Long Range Property Management Plan (“LRPMP”) for consideration. In accordance with Health and Safety Code Section 34191.5, the Successor Agency is required to submit the LRPMP for approval to the Oversight Board to the Successor Agency of the Maywood Community Redevelopment Agency and California Department of Finance (“DOF”) that addresses the disposition and use of the assets of the former redevelopment agency.

The LRPMP must do all of the following:

- ❖ State the date of acquisition and the value of the property at that time, and an estimate of the current value of the property;
- ❖ State the purpose for which the property was acquired;
- ❖ Provide parcel data including address, lot size and current zoning in the former agency or specific, community or general plan;
- ❖ Give an estimate of the current value of the parcel;
- ❖ Provide an estimate of any lease, rental or any other revenues generated by the property, and a description of the contractual requirements for the disposition of these funds;
- ❖ Give the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remedies efforts;
- ❖ Provide a description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the Successor Agency; and
- ❖ Give a brief history of previous development proposals.

The Successor Agency owns four pieces of property that are the subject of this LRPMP. The first property, located on Maywood Avenue in the extreme western part of the City, is a vacant lot and the site of a proposed park (see Location Map on page 7). Surrounding land uses include multi-family residential complexes immediately on the north and south, and a railroad right-of-way on the west.

The remaining three properties are contiguous lots that form an irregular shaped parcel bounded by District Blvd. on the north, Atlantic Blvd. on the east, 52nd St. on the south, and Cudahy Ave. on the west. The Maywood Elementary School campus sits directly across 52nd St. from the subject site with residential land uses to the west and industrial uses to the north. District and Atlantic Boulevards are both heavily traveled arterial streets. The following is discusses each of these properties in conjunction with the criteria set forth in Health and Safety Code Section 34191.5.

MAYWOOD AVENUE PROPERTY

Maywood Avenue Property

PROPERTY DESCRIPTION & HISTORY OF PREVIOUS PROPOSALS	Assessor's Parcel Number	Lot Size Sq. Ft.	Zoning
HEALTH & SAFETY CODE §§ 34191.5(c)(1)(C) & 34191(c)(1)(H)			
5515 Maywood Avenue	6311-026-902	14,452	M*
*Manufacturing			

BACKGROUND

In 2007, the City of Maywood Community Development Commission (“CDC”) purchased 5515 Maywood Avenue for the purpose of developing a park in cooperation with The Trust for Public Land (“TPL”).

The property consists of a 14,452 Sq. Ft. vacant lot on the west side of Maywood Avenue between 55th and 56th Streets. It is currently zoned M (Manufacturing) with a General Plan land use designation of Industrial. The property abuts R3 residential (Multi-family) to the north and south, a railroad right-of-way and Downey Road to the west, and Maywood Avenue to the east.

The City, CDC and TPL have partnered on a number of park projects in the past to address the shortage of open space and recreational amenities within the City. Currently, the City has four (4) parks¹ of various sizes with a combined land area of approximately 13 acres, which is far below the national, state and local recognized standard of 2.5 acres of parkland for every 1000 residents, or 70 acres. With only 13 acres of parkland, the City is short by 57 acres. A new park at this location would not only add to the City’s open space inventory, it would bring recreational

¹ Maywood City Park at just over 5 acres and Riverfront Park at just under 8 acres (when completed); and two pocket parks: Pixley Park and Pine Avenue Park – both about a third of an acre in size.

amenities to the westernmost quadrant of the City where parks are scarce.

To further the goal of developing a park on Maywood Avenue, the CDC and TPL entered into an Agreement. Under the terms of the Agreement, the CDC agreed to develop a park, which the TPL would pay for, and build and upon completion, the CDC would maintain thereafter. Over the past two years, TPL has raised the necessary funds to develop the park from various donors and was scheduled to break ground in August 2013.

In June 2013, the Successor Agency, with approval of the Oversight Board, submitted a request to the California Department of Finance ("DOF") to transfer the property from the Successor Agency to the City pursuant to Health and Safety Code § 34181(a) that authorizes the transfer of property to another public agency that is used, or to be constructed for use, as a governmental purpose. The DOF denied the governmental purpose transfer, however, the DOF sent a letter of determination dated August 12, 2013 to the Successor Agency encouraging the Successor Agency to submit the proposed park project as part of its LRPMP (see attached Department of Finance E-Letter dated August 12, 2013).

The Successor Agency is cautiously optimistic that, through the LRPMP, the DOF will authorize the transfer of the land for the development of a park on Maywood Avenue. The proposed project meets the eligibility requirements for redevelopment pursuant to the recent legislation.



Location of 5515 Maywood Avenue

PERMISSIBLE USE HEALTH & SAFETY CODE § 34191.5(c)(2)	Zoning	Permissible Use	Permissible Use Detail
	M	Manufacturing	See discussion below

PROPERTY VALUE HEALTH & SAFETY CODE § 34191.5(c)(1)(A)	Acquisition Date	Value at Time of Purchase	Estimated Current Value
	2007	\$114,000	See below.

5515 Maywood Avenue was purchased in 2007 from Shapiro Investments 2000, Inc., for \$114,000. The following are sales comparison for properties that have sold in the surrounding area over the past 6 months.

Sales Comparisons

1

The property at 5525 Maywood Avenue consists of a 14,484 Sq. Ft. lot with a 3,068 Sq. Ft. 4-story that sold for \$209,097. According to the sales comparisons, comps, the value of the land alone is \$159,805 with the building valued at \$49,292.

2

The property at 5503 Maywood Avenue consists of a 30,014 Sq. Ft. lot with a 22,520 Sq. Ft. apartment complex consisting of 5 units. According to the sales comparisons, the property sold for \$1,190,879. The assess value of the land is \$437,438 with improvements valued at \$753,441.

3

And finally, the third sales comparison shows the property at 5516 Maywood Avenue consists of a 4,467 Sq. Ft. lot with a 1,352 Sq. Ft. 2-unit apartment complex. The property sold within the past 6 months for \$173,942.

CONTRACTUAL INCOME/REVENUE HEALTH AND SAFETY CODE SECTION 34191.5(c)(1)(E)	Estimate of Contractual Income/Revenue	Contractual Obligations for use of Income/Revenue
	None	None

5515 Maywood Avenue is contractually obligated for development of a park.

TRANSIT ORIENTED POTENTIAL HEALTH AND SAFETY CODE SECTION 34191.5(c)(1)(E)	Description of Property's Potential for Transit Oriented Development	Advancement of Planning Objectives of Successor Agency
---	--	--

None

N/A

At the time this report was prepared, there were no local or regional transportation oriented projects that could incorporate this property. The property is located approximately 1 mile west of the 710 Freeway with freeway access located approximately two miles to the north. The 110 Freeway and the Alameda Rail and Truck Transportation Corridor are several miles to the west of the City while the Commerce and Montebello/Commerce Metrolink stations lie several miles to the northeast. Regional bus service is provided by the Los Angeles County Metropolitan Transportation Authority.

ENVIRONMENTAL HEALTH & SAFETY CODE § 34191.5(c)(1)(F)	Brownfield Status	Studies Conducted	Remediation
Maywood Avenue Park	N/A	Phase I	None

In preparation for the development of a park, The Trust for Public Land conducted a Phase I environmental study. The study did not find environmental issues that would prevent the development of a park on the site. The report is available through the TPL.

THE DISTRICT BOULEVARD PROPERTIES

District Boulevard Properties

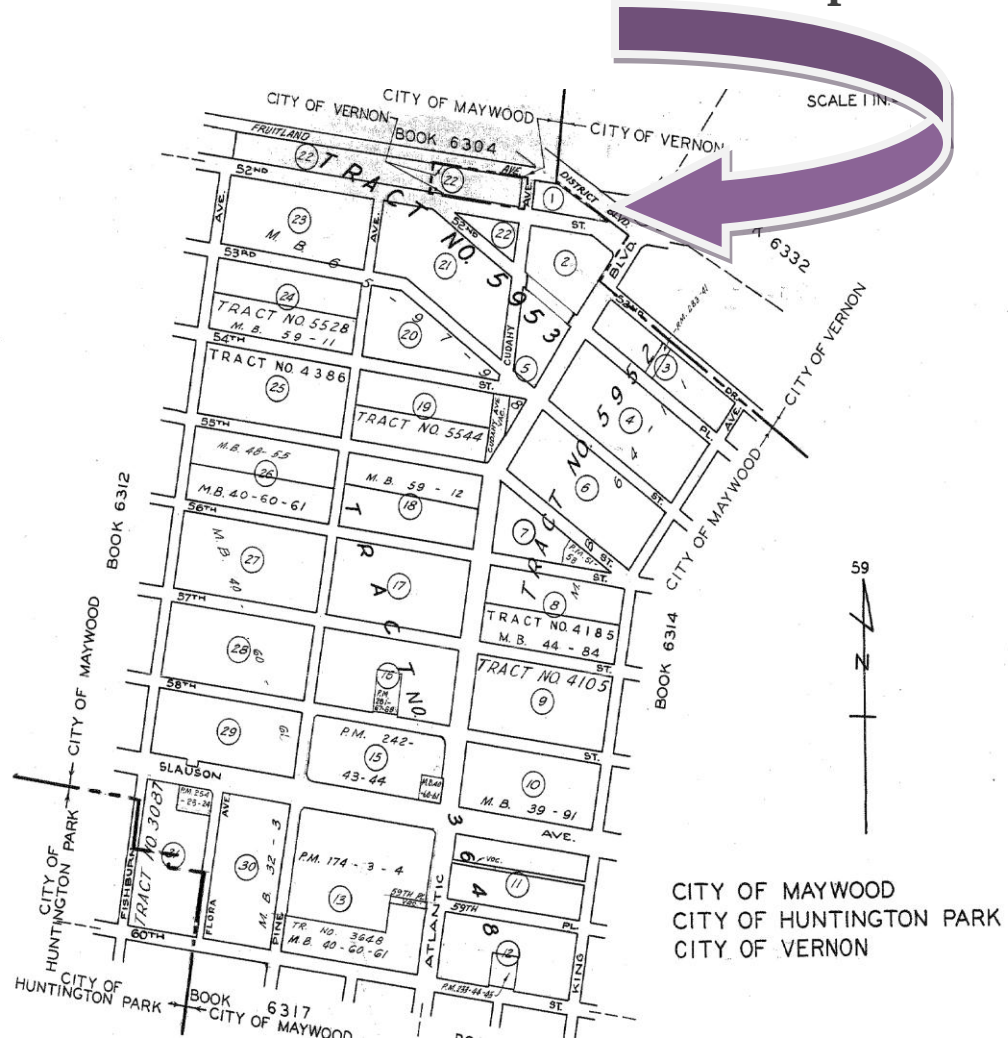
PROPERTY DESCRIPTION & HISTORY OF PREVIOUS PROPOSALS HEALTH & SAFETY CODE §§ 34191.5(c)(1)(C) & 34191(c)(1)(H)	Assessor's Parcel Number	Lot Size Sq. Ft.	Zoning
5102 District Boulevard	6313-001-902	14,452	CM
5110 District Boulevard	6313-001-901	11,478	CM
District Boulevard- no address	6313-001-902	788	CM

THE SUBJECT SITE – DISTRICT BOULEVARD PROPERTIES

The properties located at 5102, 5110 and APN 6313-001-900 District Boulevard (the “District Blvd. properties”) are contiguous and form an irregular shaped block defined by District Blvd. on the north, Atlantic Blvd. on the east, 52nd St. on the south, and Cudahy Ave. on the west. Surrounding land uses include public facilities (Maywood Elementary School), R3 residential (single and multi-family), and commercial, industrial and manufacturing (the industrial City of Vernon lies due north and directly across District Blvd. from the subject site. Two major arterials traverse the site to the east (Atlantic Blvd.) and to the north (District Blvd.) and carry significant vehicle and truck traffic through the City. The 710 Freeway and the Los Angeles River lie within two miles of the City to the east.

5102 District Blvd. is a two-story commercial building previously used as a union hall for over 30 years prior to the CDC’s purchase. 5110 District Blvd. is a two-story concrete building previously occupied by a wholesale clothing manufacturer prior to the CDC’s purchase and lies adjacent to 5102 District Blvd. The third property is a small triangular shaped, vacant parcel with no available address according to the Los Angeles County Tax Assessor’s website and City records (APN 6311-001-900) and abuts immediately to the east of the 5110 District Blvd. parcel.

Location of the District Blvd. Properties



PROPERTY VALUE HEALTH & SAFETY CODE § 34191.5(c)(1)(A)

Acquisition
Date

Value at
Time of
Purchase

Estimated
Current
Value*

5102 District Boulevard

4/17/08

\$1,000,000

See below

5110 District Boulevard

7/26/07

\$780,000

See below

APN 6313-001-900/District
Boulevard

7/31/07

\$140,000

See below

The District Blvd. properties were purchased between 2007 and 2008 for the amounts listed above. The sales comparisons for the surrounding area show that no properties have sold within the past 6 months. Dating back to December 2012, a 3-bedroom/2-bathroom residence sold for \$334,000. Prior to that, in June 2012, a 7,170 Sq. Ft. lot located at 4618 Slauson Avenue sold for \$85,000.

CONTRACTUAL INCOME/REVENUE HEALTH AND SAFETY CODE SECTION 34191.5(c)(1)(E)	Estimate of Contractual Income/Revenue	Contractual Obligations for Use of Income/Revenue
5102 District Boulevard	None	N/A
5110 District Boulevard	None	N/A
APN 6313-001-900/District Boulevard	None	N/A

The District Blvd. Properties are not contractually obligated, thus, there is no estimate of contractual income/revenue.

TRANSIT ORIENTED POTENTIAL HEALTH AND SAFETY CODE SECTION 34191.5(c)(1)(E)	Description of Property's Potential for Transit Oriented Development	Advancement of Planning Objectives of Successor Agency
5102 District Boulevard	In close proximity to the 710 Freeway	N/A
5110 District Boulevard	In close proximity to the 710 Freeway	N/A
APN 6313-001-900/District Boulevard	In close proximity to the 710 Freeway	N/A

At the time this report was prepared, there were no local or regional transportation oriented projects that could incorporate these properties. These properties are located within two miles of the entrance to the 710 Freeway and several miles southwest of the Commerce and Montebello/Commerce Metrolink Stations. The Alameda Rail and Truck Transportation Corridor and the 110 Freeway are several miles to the west of the City.

ENVIRONMENTAL HEALTH & SAFETY CODE § 34191.5(c)(1)(F)	Brownfield Status	Studies Conducted	Remediation
5102 District Boulevard	N/A	None	N/A
5110 District Boulevard	N/A	None	N/A
APN 6313-001-900/District Boulevard	N/A	None	N/A

ADAPTIVE RE-USE

Considering the location of the District Blvd. properties, across from an elementary school, a residential neighborhood and two major arterial streets, a multi-family affordable housing project with ground floor commercial retail opportunities and open space amenities would be an appropriate re-use of th this property.

CONCLUSION

With the dissolution of redevelopment, the City has had to look long and hard at its previous plans for infrastructure, open space, affordable housing and economic development improvements and has been working diligently to find solutions to its critical needs for parks and open space, housing, business attraction and retention, and jobs. It has turned to grant funding, other sources

of revenue and restructuring the delivery of municipal services to compensate for the loss of benefits associated with redevelopment.

Unfortunately, the three District Blvd. properties, at the time of redevelopment dissolution, were not contractually obligated and cannot technically be considered for a governmental purpose. Therefore, upon approval of the LRPMP by the Department of Finance, the Successor Agency will conduct appraisals of the properties and will sell them in accordance with the dissolution guidelines.

However, the Maywood Ave. property should be considered as a site with a governmental purpose. The intent of the use of this property as a park clearly meets the definition of a governmental purpose as a park as identified in this LRPMP.

Moreover, the existing Donation Agreement between the former Maywood CDC and the TPL, and the corresponding grant award from the California Department of Parks and Recreation to the TPL, clearly support the Successor Agency's intent to use the Maywood Ave. property as a park

With this, the Maywood Successor Agency respectfully submits this Long Range Property Management Plan to the Department of Finance for its consideration and approval.